

CHAPTER SIX

SAMPLE OF INCENTIVE TECHNIQUES IN USE

This section offers a sample of incentive programs that are used by various transit systems, based on responses to the synthesis survey. Undoubtedly, there are many other excellent programs that are not reported because the transit system did not respond to the survey or were not included as a recipient. As an example, the efforts of the transit system serving Flint, Michigan have been repeatedly cited and documented as being on the cutting edge of incentive and other employee motivation and development activities. Unfortunately, Flint was unable to participate in this research. Barnum's work provides one overview of programs in Flint. (4) The techniques below continue the synthesis theme of providing a snapshot of transit authority incentives programs in 1993.

SAFE DRIVER AWARDS

Niagara Frontier Transit Metro System, Inc. Buffalo, New York

Program Description

Safe driver awards are given to bus operators who have experienced accident-free driving (no chargeable accident) during the previous calendar year. For the first 10 years, recipients are awarded pins denoting the length of accident-free service. After 10 years, the operator receives, in addition to the pin, a watch; at 20 years service, a \$200 bond; and at 25 years (and above), an extra week's vacation. After 30 years of safe driving, the operator receives a mantel clock, a \$50 restaurant certificate, and his or her name is entered on a permanent "Hall of Fame." An annual luncheon is held for recipients of the 10-, 20-, 25-, and 30-year safe driving awards.

Length of Time Program has Operated

Twenty years.

Summary of Results

There has been no attempt to tie accident reduction or lower costs for the system as a whole to driver records. The tracking system is outdated, and currently is being reviewed and restructured to provide meaningful information on trends and experience. When the system has been updated, it may be easier to identify program costs and benefits as well as intangible gains. Types of information that could be collected include the value of decreased accident claims and lower operating costs as a result of increased accident-free miles in relation to the costs of operating the program (about \$9,500 annually).

However, measurement of cost reduction as a result of safe

driving would be clouded by external factors such as a recent drop in ridership and other events.

The program is well-accepted by the employees as the measurements are clearly spelled out and objective. Questions of equity seldom arise regarding definitions of safe driving.

Approximately 25 drivers per year (out of a total of 600) are honored for their safe driving performance.

Challenges and Issues

The program is probably more important for its individual recognition and morale boosting than for system cost reductions.

EMPLOYEE OF THE MONTH

Kansas City Area Transportation Authority Kansas City, Missouri

Program Description

Employees are nominated by their peers for consistent and outstanding work performance. An evaluation form covering criteria such as attendance, quantity and quality of work, and ability to work with others is filled out by an immediate supervisor and reviewed by a department director. Selected employees receive a free lunch for four people, a day off with pay, parking space for a month, a plaque, and a \$100 bond or \$50 in cash.

Length of Time Program has Operated

More than 5 years.

Summary of Results

The program was developed by the Employee Recognition Committee to recognize outstanding employees and to improve morale. About five names are submitted each month, denoting continued and widespread participation, as well as employee awareness of the importance of efficiency and productivity.

Challenges and Issues

Criteria for the program are not specific and therefore are subject to different interpretations by different immediate supervisors. This has led to some complaints of unfairness and favoritism in selecting the Employee of the Month. Written criteria are in preparation which should alleviate this problem.

SICK LEAVE/ACCIDENT-FREE/MASTER MECHANICS INCENTIVES

**Chatham Area Transit Authority
Savannah, Georgia**

Program Description

There are three components: sick leave incentive, accident free incentive (for drivers) and master mechanic incentive (maintenance shop personnel). Benefits from the sick leave and accident-free incentives are recognition, including a banquet for the employee and spouse and a \$50 bond as well as a personal leave day for a year of perfect attendance or accident-free driving. Master mechanics receive recognition and a salary increment. Service awards start after 3 years of employment and are about the same until an employee has served for 25 years, when there is special recognition. Awards are made on the basis of individual performance.

Length of Time Program has Operated

Over 5 years.

Summary of Results

Results are difficult to attribute to specific actions. For instance, there is some question whether a drop in absenteeism is due to the incentive's raising morale or to stricter enforcement of existing rules. The accident-free program costs approximately \$30,000/year (banquet, \$50 bond, etc.) excluding cost of extra day off for the winners. Some of these costs are offset by lowered accident and workman's compensation claims, although the relationship is not exactly determined.

Challenges/Issues

There is always pressure on the budget, usually from the outside, to remove items, such as incentives, that do not appear to impact the public directly. Management explains that it takes constant alertness and explaining to assure the public that incentives pay for themselves.

Employees sometimes feel that incorrect criteria have been used in selecting recipients, thus lowering rather than raising morale. For example, the requirement that an employee be employed 3 years to be eligible for an award rankles some of those who have 2 years of perfect attendance or safe driving. In balance, however, senior officials believe the program requirements are fair and more desirable because of the length-of-term requirements.

BEST OF THE BEST Montgomery County Division of Transportation Services Rockville, Maryland

Program Description

Each operating module of the agency identifies a representative, based on that individual's performance evaluation and extraordinary service to the agency's mission. The selected bus operators and transit coordinator are recognized at the annual Transportation Week Appreciation Breakfast.

Summary of Results

Major benefits are employee involvement in agency objectives, resulting from a management philosophy committed to employee participation and recognition. Managers believe that in order for its incentives program to be successful, there must be multiple opportunities for employees to perform in an outstanding manner and to be recognized for doing so. Actual results are only partially documented.

Challenges/Issues

The organization reports that equity is always a challenge; it is difficult providing an objective evaluation of one employee's performance over another's. Efforts are made to make the criteria for awards easily understood and attainable. Flexibility and responsiveness are also stressed.

SPECIAL SERVICES MOTOR COACH OPERATOR AND CALL TAKER INCENTIVE PROGRAM

**Ann Arbor Transportation Authority
Ann Arbor, Michigan**

Program Description

Bonus payments are provided to all motor coach operators and call takers for each hour worked in either job classification based upon increases in certain categories of ridership in comparison to ridership for the same quarter of the previous year. Bonuses are related to percentage increases: at a 10 percent increase, the employees receive a \$.25/hr bonus, rising to a \$.50/hr bonus for a 45 percent increase.

Length of Time Program has Operated

More than 5 years.

Summary of Results

Results are measured both in terms of ridership and costs of quarterly bonuses. Although data were not available, the programs are considered by senior managers to be highly successful.

Challenges/Issues

Employee "buy-in" to the incentive program is considered to be one of the key ingredients of success.

SERVICE CREW INCENTIVE PROGRAM **Ann Arbor Transportation Authority Ann Arbor, Michigan**

Program Description

Quarterly bonus payments are provided to employees performing work in the service crew job classification related to four group

performance criteria: proper fueling, cleanliness, farebox probing, and correctly entering data into the fleetwatch system. For proper fueling, employees receive a bonus of \$.10/hr; for average cleanliness rating scores exceeding 8.00 to 9.50, employees receive a bonus of \$.15 to \$.25/hr; for proper farebox probing over 98.5 percent of the time, \$.05/hr, and for correct entering of data for the fleetwatch system at a completion rate exceeding 98.5 percent, employees receive a \$.10/hr bonus.

Length of Time Program has Operated

Over 5 years.

Summary of Results

Results are measured both in terms of the performance criteria and costs of quarterly bonuses; however these data are not available

PERFORMANCE INCENTIVE PROGRAM San Diego Metropolitan Transit Development Board (MTDB) San Diego, California

Program Description

Cash bonuses are awarded to all full-time eligible employees based on meeting the MTDB's adopted annual performance bonus goals and award percentages. Employee eligibility is determined by length of service and satisfactory performance evaluations. The amount actually distributed depends on whether the MTDB meets the goals and percentages: if all goals are met, then 100 percent of the pool is distributed; if none are met, no money is distributed, and if some of the goals are achieved, the pool monies are based on the award percentages for those goals. The bonus pool is set annually by the board of directors at some percentage of actual

year-end personnel costs (a maximum of about \$1,000 per employee). For the last 2 years, because of a budget shortfall, the program has operated, but it has not been funded.

Length of Time Program has Operated

More than 5 years.

Summary of Results

Annual goals are quantified and easily measurable (i.e. increase fixed-route farebox recovery ratio by 1 percent to 49.5 percent. The bonus award is tailored to the annual farebox recovery data). In general, the results are excellent, with goals being at least partially realized and high morale among employee teams.

Challenges and Issues

The purposes of the performance incentive program are:

- To stimulate and maintain high quality performance for all individuals in the organization,
- To reinforce teamwork across all departments,
- To avoid the administrative burden of judgmental evaluation of individual performance among employees,
- To set measurable goals that represent positive achievements for the agency, and
- To reinforce employee attitudes to be transit advocates and interested in improving the overall system.

The program is well regarded by employees and does accomplish at least partially the purposes for which it is intended. The budget shortfall that has precluded payment for the past 2 years is, however, a serious obstacle which must be overcome if the program as currently conceived can be expected to continue after 1994.